

**AMENDMENT AND RESPONSE TO OFFICE ACTION**

**Amendment**

**In the Claims**

Claims 1-28 (cancelled).

29. (Previously presented) A method of treating or preventing pancreatic damage comprising administering an effective amount of isolated regeneration initiating cells to an animal in need thereof.

Claims 30-32 (cancelled).

33. (Currently amended) The method according to claim ~~32~~ 29 wherein the regeneration initiating cells are derived from a source selected from the group consisting of bone marrow, peripheral blood, umbilical cord blood or placenta.

34. (Previously presented) The method according to claim 33 wherein the regeneration initiating cell has the surface marker c-kit.

35. (Previously presented) The method according to claim 33 wherein the regeneration initiating cell has the surface markers c-kit and at least one marker selected from the group consisting of KDR, AC133, CD34, Tie-1/2, Tek-1/2, VEGF-receptor families, CD31, and angiopoietin receptors.

36. (Currently amended) The method according to claim ~~32~~ 29 wherein the regeneration initiating cell is human.

37. (Currently amended) The method according to claim ~~32~~ 29 for the treatment of diabetes.

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38. (Previously presented) The method according to claim 37 wherein the diabetes is insulin dependent Type II diabetes.
39. (Currently amended) The method according to claim ~~32~~ 29 wherein said animal is a human.
40. (Currently amended) The method according to claim ~~32~~ 29 wherein the cells are low density mononuclear lymphocytes.
41. (New) The method according to claim 29 for the treatment of hyperglycemia.